SEWELL & RIGGS

800 MCORP PLAZA 333 CLAY AVENUE HOUSTON, TEXAS 77002

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RECORDATION RO.

WILLIAM A. PADDOCK (713) 652-8787

May 30, 1985

JUN 1 1 1985 · 9 1 AM

INTERSTATE COMMERCE COMMISSION
CERTIFIED MAIL #P 727 420 860, RETURN RECEIPT REQUEST

INTERSTATE COMMERCE COMMISSION

JUN 11 1985 · 9 IA AM

5-162A062

Secretary Interstate Commerce Commission Washington, D.C. 20423

Dear Sir:

This firm represents MBank Houston, N.A., in connection with its loan to Don R. Mullins and wife, Betsy M. In this connection, I am enclosing duplicate originals of the two Security Agreements executed by Mr. and Mrs. Mullins and our firm check payable to the Interstate Commerce Commission in the amount of \$100 for your filing fee. Please place your stamp on each of the documents with the date of filing and return one copy of each document to the undersigned.

The address of Mr. and Mrs. Mullins is 4545 Post Oak Place Drive, Suite 144, Houston, Texas 77027, and the address of MBank Houston, N.A. is MBank Building, 910 Travis Street, Houston, Texas 77002. The description of the equipment covered by the Security Agreement are fifty 23,500 gallon nominal capacity railroad tank cars described as Schedules A of the Security Agreement-Chattel Mortgage.

The Security Agreement-Chattel Mortgage creates a security interest and chattel mortgage on the tank cars described in Schedule A attached hereto, and the Security Agreement-Accounts Receivable creates a security interest in the Management Agreements covering said tank cars with Richmond Leasing Company and all leases of the tank cars.

Yours very truly,

TINU SHITAR A Baddock

WAP9:tr Enclosures 28' H9 os & P HUL. THE SECRETARY TO OFFICE OF

cc: Mr. Mike Patton
MBank Houston, N.A.
Bank Bank Building
910 Travis Street
Houston, Texas 77002

cc: Mr. John Crites
 Don R. Mullins Interests
 4545 Post Oak Place Drive, Suite 144
 Houston, Texas 77027

Interstate Commerce Commission Washington, D.C. 20423

OFFICE OF THE SECRETARY

William A. Paddock Sewell & Riggs 800 Mccorp Plaza 333 Clay Avenue Houston, Texas 77002

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C.

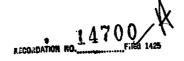
11303, on 6/11/85 at 9:15am and assigned rerecordation number(s). 14700 & 14700-A

Sincerely yours,

James St. 1

Secretary

Enclosure(s)



JUN 11 1985 · 9 15 AM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT - ASSIGNMENT OF ACCOUNTS

DON R. MULLINS and BETSY M. MULLINS, 4545 Post Oak Place Drive, Suite 144, Houston, Texas 77027 (hereinafter collectively called "Debtor"), and MBANK HOUSTON, N.A., MBank Building, 910 Travis Street, Houston, Texas 77002 (hereinafter called "Secured Party"), agree as follows:

Section I. Creation of Security Interest.

Debtor hereby grants to Secured Party a security interest in the Collateral described in Section II of this Security Agreement to secure performance and payment of (i) that certain promissory note ("Note") dated May _____, 1985, in the original principal amount of \$1,280,000, executed by the Debtor, payable to the order of Secured Party, bearing interest and being payable in the manner described therein, and (ii) all renewals and extensions of the Note.

Section II. Collateral.

The Collateral of this Security Agreement is all of the right, title and interest of Debtor in and to (i) the Accounts and Contract Rights arising under the Management Agreements between Don R. Mullins and Richmond Leasing Company, a Delaware corporation ("RLC"), effective September 11, 1978, and June 18, 1980, (ii) all leases ("Lease Agreements") now or hereafter existing, including but not limited to leases between RLC as Lessor and other entities as Lessee, on the railroad tank cars

owned by Debtor, described more fully on Schedule A attached hereto and made a part hereof, (iii) all of Debtor's right to receive and collect all per diem mileage on payments now or hereafter to become payable to the Debtor with respect to such railroad tank cars, and (iv) the proceeds of such Collateral. Lease Agreements in effect at the date of this Agreement are described more fully on Schedule "B" and Debtor will provide. Secured Party with a report of current leases upon the request of Secured Party.

Section III. Payment Obligations of Debtor.

Debtor shall pay to Secured Party any sum or sums due or which may become due pursuant to the Note executed by Debtor to evidence Debtor's indebtedness to Secured Party, in accordance with the terms of such Note and the terms of this Security Agreement.

- (2) In the event of default, all proceeds in the form of cash and negotiable instructions for the payment of money received by Debtor in payment of any of the assigned Accounts or Contract Rights will be held in trust for Secured Party and promptly paid over to Secured Party for application upon the indebtedness of Debtor to Secured Party, the order and method of application to be in the sole discretion of Secured Party.
- (3) Debtor shall pay to Secured Party on demand all expenses and expenditures, including reasonable attorneys' fees

and other legal expenses incurred or paid by Secured Party in exercising or protecting its interests, rights and remedies under this Security Agreement, plus interest thereon at the maximum rate of interest permitted by law with respect to It is the intention of the Debtor and the Secured Debtor. Party to contract in strict compliance with the usury laws of the State of Texas from time to time in effect. In furtherance thereof, the Debtor and the Secured Party stipulate and agree that none of the terms and provisions contained in this Agreement or the Note shall ever be construed to create a contract to pay interest for the use, forbearance or detention of money at a rate in excess of the maximum interest rate permitted to be charged by the laws of the State of Texas from time to time in effect. In the event the Secured Party shall collect monies which are deemed to constitute interest which would otherwise increase the effective rate on the Note to a rate in excess of that permitted to be charged by the laws of the State of Texas then in effect, all such sums deemed to constitute interest in excess of the legal rate shall immediately returned to the Debtor upon such determination.

(4) Debtor shall pay immediately, without notice, the entire unpaid indebtedness of Debtor to Secured Party, whether created or incurred pursuant to this Security Agreement or otherwise, upon Debtor's default under Section V of this Security Agreement.

Section IV. Debtor's Warranties, Representations and Agreements.

- (1) The Collateral will meet the following requirements continuously from the time each part of the Collateral comes into existence until it is collected in full:
- (a) The Account or Contract Right will be due and payable not more than 90 days from the date of the invoice or agreement evidencing the same.
- (b) The Account or Contract Right arose or will arise from the performance of the duties and obligations of the Lease Agreements by RLC and the duties and obligations of the Management Agreements between RLC and Debtor, effective as of September 11, 1978, and June 18, 1980, which duties and obligations have been or will be fully and satisfactorily performed by RLC or Debtor or will be caused to be fully and satisfactorily performed by Debtor.
- (c) The Account or Contract Right is not subject to any prior or subsequent assignment, claim, lien or security interest other than that of Secured Party.
- (d) The Account or Contract is not subject to any set off, counterclaim, defense, allowance or adjustment other than discounts for prompt payment shown on the invoice, or to dispute, objection or complaint by the Account Debtor concerning his liability on the Account, and the goods, the sale of which gave rise to the Account, have not been returned, rejected, lost or damaged.

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(2) Debtor's principal place of business is that appearing at the beginning of this agreement. Debtor will promptly notify Secured Party of any change of location of any place of business or of the addition of any new place of business.

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- (3) All information supplied and statements made by Debtor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with or subsequent to the execution of this Security Agreement are and shall be true, correct, complete, valid and genuine in all material respects.
- (4) No financing statement covering the Collateral or its proceeds is on file in any public office; except for the security interest granted in this Security Agreement, there is no lien, security interest or encumbrance in or on the Collateral; and Debtor is the owner of the Collateral.
- (5) The office where Debtor keeps its records concerning the Accounts and Contract Rights covered by this Security Agreement is MBank Building, 910 Travis Street, Houston, Texas 77002.
- (6) Debtor shall pay prior to delinquency all taxes, charges, liens and assessments against the Collateral, and upon Debtor's failure to do so, Secured Party at its option may pay any of them and shall be the sole judge of the legality or

validity thereof and the amount necessary to discharge the same. Such payment shall become part of the indebtedness secured by this Security Agreement and shall be paid to Secured Party by Debtor immediately and without demand, with interest thereon at the maximum rate of interest permitted by law with respect to Debtor.

- (7) Debtor shall at all times keep complete and accurate books and records reflecting all facts concerning each Account and Contract Right, including those pertaining to Debtor's warranties, representations and agreements under this Security Agreement, and make or allow Secured Party to make written designation on Debtor's books and records to reflect thereon the assignment to Secured Party of each Account or Contract Right covered by this Security Agreement.
- (8) Debtor shall not, voluntarily or involuntarily, subject the Collateral or its proceeds or allow the Collateral or its proceeds to be subjected to any interest of any transferee, buyer, secured party, encumbrancer or other third person, shall not modify the contract with the Account Debtor or diminish any security for an Account or Contract Right without giving Secured Party five days notice in advance in writing and without first receiving written consent from Secured Party.

(9) Debtor shall, at its expense, do, make, procure, execute, and deliver all acts, things, writings and assurances as Secured Party may at any time require to protect, assure or enforce its interests, rights and remedies created by, provided in or emanating from this Security Agreement.

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- (10) Debtor shall sign and execute alone or with Secured Party any Financing Statement or other document or procure any document, and pay all connected costs, necessary to protect the security interest under this Security Agreement against the rights or interests of third persons.
- (11) In the event any Account shown on the schedule or schedules attached hereto is not paid in full within ten days after the due date shown for such Account, Debtor shall immediately pay Secured Party the full amount then owing on such Account.

Section V. Events of Default.

Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions (herein called an "Event of Default").

- (1) Debtor's failure to pay when due any indebtedness secured by this Security Agreement, either principal or interest.
- (2) Default by Debtor in the punctual performance of any of the obligations, covenants, terms or provisions contained or

referred to in this Security Agreement or in any note secured hereby.

- (3) Any warranty, representation or statement contained or referred to in this Security Agreement or in any note secured hereby.
- (3) Any warranty, representation or statement contained in this Security Agreement made or furnished to Secured Party by or on behalf of Debtor in connection with this Security Agreement or to induce Secured Party to make a loan to Debtor proves to have been false in any respect when made or furnished or becomes false in any respect while any indebtedness secured hereby is outstanding.
- (4) Loss, theft, substantial damage, destruction, sale or encumbrance of or to any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon.
- (5) Debtor's insolvency or business failure; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors by Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor, surety or endorser for Debtor.
- (6) Any statement of the financial condition of Debtor to Secured Party submitted to Secured Party proves to be false.

Section VI. Secured Party's Rights and Remedies.

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- A. Rights Exclusive of Default.
- (1) This Security Agreement, Secured Party's rights hereunder or the indebtedness hereby secured may be assigned from time to time, and in any such case the Assignee shall be entitled to all of the rights, privileges and remedies granted in this Security Agreement to Secured Party, and Debtor will assert no claims or defenses he may have against Secured Party against the Assignee except those granted in both Security Agreements.
- (2) Upon written notice to Debtor Secured Party may notify or require Debtor to notify Account Debtors obligated on any or all of Debtor's Accounts or Contract Rights to make payment directly to Secured Party, and may take possession of all proceeds of any Accounts or Contract Rights to make payment directly to Secured Party, and may take possession of all proceeds of any Accounts or Contract Rights in Debtor's possession.
- (3) Upon the occurrence of an Event of Default or at any time thereafter, Secured Party may take any steps which Secured Party deems necessary or advisable to collect any or all Accounts, Contract Rights, proceeds or other Collateral, or to sell, transfer, compromise, discharge or extend the whole or any part of the Accounts, Contract Rights, proceeds or other

Collateral, and apply the proceeds thereof to Debtor's indebtedness to Secured Party in accordance with this agreement.

- (4) In protecting, exercising or assuring its interests, rights and remedies under this Security Agreement Secured Party may sign and endorse negotiable and other instruments for the payment of money, documents of title or other evidences of payment, shipment or storage for any form of Collaberal or proceeds on behalf of and in the name of Debtor.
- (5) Secured Party may call at Debtor's place or places of business at intervals to be determined by Secured Party and, without hindrance or delay, inspect, audit, check and make extracts from the books, records, journals, orders, receipts, correspondence and other data relating to the Collateral or to any transaction between Debtor and Secured Party, and Debtor shall assist Secured Party in making any such inspection.
- (6) Secured Party may subrogate to all of Debtor's interests, rights and remedies in respect to any Account or Contract Right.
- (7) Secured Party may make any demand upon or give any notice to Debtor by its deposit in the mails or with a telegraph company, addressed to Debtor at Debtor's address shown at the beginning of this Security Agreement, or to the change of such address of which Debtor has last notified Secured Party in writing.

- (8) At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred by Secured Party pursuant to the foregoing authorization, plus interest thereon at the maximum rate of interest permitted by Taw with respect to Debtor.
 - B. Remedies in the Event of Default.
- (1) Upon the occurence of an Event of Default and at any time thereafter, Secured Party may declare all obligations secured hereby immediately due and payable and shall have the rights and remedies of a Secured Party under the Uniform Commercial Code of Texas, including without limitation thereto, the right to sell, lease or otherwise dispose of any or all of the Collateral and the right to take possession of the Collateral, and for that purpose Secured Party may enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably covenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in

value or is of a type customarily sold on a recognized market, Secured Party will send Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to Debtor at the address designated at the beginning of this Security Agreement five days before the time of the at disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and legal expenses, and Debtor agrees to pay such expenses, plus interest thereon at the maximum rate of interest permitted by law with respect to Debtor. Debtor shall remain liable for any deficiency.

- (2) Secured Party may remedy any default and may waive any default without waiving the default remedied or without waiving any other prior or subsequent default.
- (3) The remedies of Secured Party hereunder are cumulative, and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any of the other remedies of Secured Party.
- (4) Notwithstanding anything herein to the contrary, in the event of default of any obligations of Debtor to Secured Party under the Note or the Security Agreement, Secured Party

will exercise any of its rights or remedies contained herein until ten days after delivery to Debtor of notice of such default.

Section VII. Additional Agreements.

- (1) "Secured Party" and "Debtor" as used in this instrument include the heirs, executors or administrators, successors, representatives, receivers, trustees and assigns of those parties.
- (2) The section headings appearing in this instrument have been inserted for convenience only and shall be given no substantative meaning or significance whatever in construing the terms and provisions of this instrument. Terms used in this instrument which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined.
- (3) The law governing this secured transaction shall be that of the State of Texas in force at the date of this instrument.

EXECUTED this the 29 day of May, 1985.

ON R. MULLINS

BETSY M. MULLINS

MBANK HOUSTON, N.A.

By:			
Name:			
\mathtt{Title} :			

THE STATE OF TEXAS
COUNTY OF HARRIS

BEFORE ME, the undersigned authority, on this day personally appeared DON R. MULLINS and wife, BETSY M. MULLINS, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 29 day of May, 1985.

Notary Public In and For The State of TEXAS LETHAS. AYRES

Notary Public in and for Harris County, Texas

(Type or Print Name)

My Commission Expires:

THE STATE OF TEXAS \$
COUNTY OF HARRIS \$

BEFORE ME, the undersigned authority, on this day personally appeared

of MBANK HOUSTON, N.A., known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this _____ day of May, 1985.

Notary Public In and For The State of T E X A S

(Type or Print Name)

My Commission Expires:

SCHEDULE A

Fifty (50) 23,500 gallon nominal capacity tank cars, DOT111A100W3, exterior, coiled and insulated, 100-ton roller bearing trucks bearing Registration Numbers:

RTMX	12560	RTMX	12708
RTMX	12561	RTMX	12709
RTMX	12562	RTMX	12710
XMTR	12563	RTMX	12711
RTMX	12564	RTMX	12712
RTMX	12565	RTMX	12713
RTMX	12566	RTMX	12855
RTMX	1256 <u>7</u> :	RTMX	12856
RTMX	12706	RTMX	12857
RTMX	12707	RTMX	12858
RTMX	12902	RTMX	12913
RTMX	12911	RTMX	12914
RTMX	12917	RTMX	12925
RTMX	12918	RTMX	12926
RTMX	12920	RTMX	12928
RTMX	12921	RTMX	12894
RTMX		RTMX	12896
RTMX		RTMX	12898
RTMX		RTMX	12899
RTMX.	12904	RTMX	12900
RTMX		RTMX	12903
RTMX		RTMX	12905
RTMX	12901	RTMX	12906
RTMX	12910	RTMX	12909
RTMX	12912	RTMX	12924